

**NEW ISSUE—BOOK-ENTRY****NO RATING**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; although, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "LEGAL MATTERS—Tax Matters" herein.*

**\$2,945,000**

**SONOMA VALLEY COUNTY SANITATION DISTRICT  
LIMITED OBLIGATION IMPROVEMENT BONDS  
EIGHTH STREET EAST SEWER ASSESSMENT DISTRICT**

**Dated: Date of Delivery****Due: September 2, as shown below**

The Bonds are being issued by the Sonoma Valley County Sanitation District, California (the "District"), a sanitation district organized and existing under the laws of the State of California, pursuant to the Improvement Bond Act of 1915 (i) to construct certain wastewater collection improvements within the District's Eighth Street East Sewer Assessment District (the "Assessment District"), as more fully described herein, (ii) to be used as a credit towards sewer connection charges levied by the District upon parcels in the Assessment District, (iii) to fund a reserve fund for the Bonds and (iv) to pay certain costs of issuance associated with the Bonds.

The Bonds will be issued in the denominations of \$5,000 or any integral multiple thereof. Interest is payable on March 2, 1999 and semiannually thereafter on March 2 and September 2 each year. The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the County Treasurer of the County of Sonoma, as registrar, agent and paying agent for the Bonds (the "Paying Agent") to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Paying Agent's books as of the fifteenth day of the calendar month immediately preceding each interest payment date. See "THE BONDS—Book-Entry Only System" and "—General" herein.

*The Bonds are subject to redemption prior to maturity as described herein.*

See "SPECIAL RISK FACTORS" herein for a discussion of the risk factors that should be considered in evaluating the investment quality of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY OF SONOMA, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

**MATURITY SCHEDULE**

<u>Maturity (September 2)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Maturity (September 2)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
1999	\$ 90,000	4.100%	100%	2005	\$115,000	5.200%	100%
2000	95,000	4.400	100	2006	120,000	5.300	100
2001	95,000	4.700	100	2007	130,000	5.400	100
2002	100,000	4.900	100	2008	135,000	5.500	100
2003	105,000	5.000	100	2009	140,000	5.600	100
2004	110,000	5.100	100	2010	150,000	5.650	100

**\$1,560,000 5.85% Term Bonds due September 2, 2018 @ 100%**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York on or about August 11, 1998.

**SUTRO & CO. INCORPORATED**

Dated: July 29, 1998.